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Robert P. Butts, Jr.  
The Union Light, Heat and Power Company  
139 East Fourth Street  
Cincinnati, OH 45202

December 21, 2005

CERTIFICATE OF SERVICE

RE: Case No. 2005-00529  
The Union Light, Heat and Power Company

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on December 21, 2005.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/jc  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF THE         )  
UNION LIGHT, HEAT AND POWER     )  
COMPANY                                 )  
CASE NO. 2005-00529

O R D E R

On January 31, 2002, in Case No. 2001-00092,<sup>1</sup> the Commission approved rates for The Union Light, Heat and Power Company ("ULH&P") and provided for their further adjustment in accordance with ULH&P's gas cost adjustment ("GCA") clause.

On December 12, 2005, ULH&P filed its GCA to be effective January 3, 2006. ULH&P previously obtained Commission approval to file its GCA within 20 days of the proposed effective date.<sup>2</sup>

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. ULH&P's notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. ULH&P's Expected Gas Cost ("EGC") is \$14.742 per Mcf, which is an increase of \$2.523 per Mcf from its previous EGC of \$12.219.

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<sup>1</sup> Case No. 2001-00092, Adjustment of Gas Rates of The Union Light, Heat and Power Company, Order dated January 31, 2002.

<sup>2</sup> Case No. 2003-00386, The Application of The Union Light, Heat and Power Company for Authority to Make Monthly Adjustments to the Expected Gas Cost Component of Its Gas Cost Adjustment Rate.

3. ULH&P's notice sets out no current refund adjustment ("RA"). ULH&P's notice sets out a total RA of (.6) cent per Mcf, which is no change from its previous total RA.

4. ULH&P's notice sets out no current quarter actual adjustment ("AA"). ULH&P's notice sets out a total AA of (.1) cent per Mcf which is no change from its previous total AA.

5. ULH&P's notice sets out no current quarter balancing adjustment ("BA"). ULH&P's notice sets out a total BA of 3.5 cents per Mcf which is no change from its previous total BA.

6. ULH&P's gas cost recovery rate ("GCR") is \$14.77 per Mcf, which is an increase of \$2.523 per Mcf from its previous GCR of \$12.247.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by ULH&P on and after January 3, 2006.

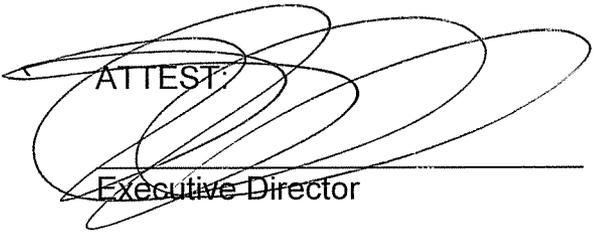
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after January 3, 2006.

2. Within 20 days from the date of this Order, ULH&P shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 21st day of December, 2005.

By the Commission

ATTEST  
  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2005-00529 DATED December 21, 2005.

The following rates and charges are prescribed for the customers served by The Union Light, Heat and Power Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

GAS SERVICE RATES

RATE RS  
RESIDENTIAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$ .298534	plus	\$ 1.477	\$ 1.775534

RATE GS  
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$ .2054		\$ 1.477	\$ 1.6824

RIDER GCAT  
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be .28 cents per 100 cubic feet. This rate shall be in effect during the months of December 2005 through February 2006 and shall be updated quarterly, concurrent with the Company's GCA filings.